

MONTANA LEGISLATIVE HISTORY

Chapter N/A 19 87

Bill H 893 S _____

Original bill & history ✓ C

H. Committee on Appropriations

Hearing Date(s) 3-24 ✓ C

_____ C

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_____ C

Date Out _____ C

S. Committee on _____

Hearing Date(s) _____ C

_____ C

_____ C

_____ C

Did this bill originate in an interim committee? ____ Yes ____ No

Committee _____

Report _____

1 House BILL NO. 893
 2 INTRODUCED BY Ronaldsen

3
 4 A BILL FOR AN ACT ENTITLED: "AN ACT APPROPRIATING
 5 \$43,069,000 FROM THE LOCAL IMPACT AND EDUCATION TRUST FUND
 6 ACCOUNT TO FUND PUBLIC SCHOOLS, ADULT BASIC EDUCATION,
 7 CERTAIN UNIVERSITY SYSTEM PROGRAMS AND BUILDINGS, AND
 8 POSTSECONDARY VOCATIONAL-TECHNICAL CENTERS; MODIFYING THE
 9 METHOD OF FUNDING THE PERMISSIVE AMOUNT OF SCHOOL FUNDING
 10 AND CAPPING THE GENERAL FUND BUDGETS OF CERTAIN DISTRICTS IN
 11 ORDER TO PROVIDE INCREASED EQUALIZATION OF PUBLIC SCHOOL
 12 FUNDING; AND AMENDING SECTIONS 20-9-352, 20-9-353, AND
 13 90-6-211, MCA."

14
 15 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

16 NEW SECTION. Section 1. Appropriation. (1) There is
 17 appropriated \$38,369,000 from the local impact and education
 18 trust account funded by 15-35-108 (3)(b) to the following
 19 agencies and programs for the biennium ending June 30, 1989:

<u>Agency and Program</u>	<u>Amount</u>
20 Board of Regents	
21	
22 WICHI-WAMI	\$ 4,500,000
23 Montana State University	
24 Science and Technology Building	12,000,000
25 Superintendent of Public Instruction	

1 Adult Basic Education 869,000
 2 School Equalization Aid 21,000,000
 3 (2) Contingent upon the passage and approval of House
 4 Bill 39, there is appropriated \$4,700,000 from the local
 5 impact and education trust account for the biennium ending
 6 June 30, 1989, to the board of regents for the following
 7 funding of the state vocational-technical centers provided
 8 for in House Bill 39:
 9 Voted levy replacement \$3,200,000
 10 Facility lease or purchase 1,500,000
 11 Section 2. Section 20-9-352, MCA, is amended to read:
 12 "20-9-352. Permissive amount and permissive levy. (1)
 13 Whenever the trustees of any district shall deem it
 14 necessary to adopt a general fund budget in excess of the
 15 foundation program amount but not in excess of the maximum
 16 general fund budget amount for such district as established
 17 by the schedules in 20-9-316 through 20-9-321, the trustees
 18 shall adopt a resolution stating the reasons and purposes
 19 for exceeding the foundation program amount. Such excess
 20 above the foundation program amount shall be known as the
 21 "permissive amount", and it shall be financed by a levy on
 22 the taxable value of all taxable property within the
 23 district as prescribed in 20-9-141, supplemented with any
 24 biennial appropriation by the legislature for this purpose.
 25 The proceeds of such an appropriation shall be deposited to

the state special revenue fund, permissive account.

(2) The district levies to be set for the purpose of funding the permissive amount are determined as follows:

(a) For each elementary school district, the county commissioners shall annually set a levy not exceeding 6 mills on all the taxable property in the district for the purpose of funding the permissive amount of the district. The permissive levy in mills shall be obtained by multiplying the ratio of the permissive amount to the maximum permissive amount by 6 or by using the number of mills which would fund the permissive amount, whichever is less. If the amount of revenue raised by this levy, plus the portion of any anticipated or reappropriated motor-vehicle fees-and-reimbursement-under-the-provisions-of-61-3-532--and-61-3-536 money as required by subsection (5), is not sufficient to fund the permissive amount in full, the amount of the deficiency shall be paid to the district from the state special revenue fund according to the provisions of subsections (3) and (4) of this section.

(b) For each high school district, the county commissioners shall annually set a levy not exceeding 4 mills on all taxable property in the district for the purpose of funding the permissive amount of the district. The permissive levy in mills shall be obtained by multiplying the ratio of the permissive levy to the maximum

permissive amount by 4 or by using the number of mills which would fund the permissive amount, whichever is less. If the amount of revenue raised by this levy, plus the portion of any anticipated motor-vehicle-fees-and--reimbursement--under the--provisions--of--61-3-532--and--61-3-536--and--plus-net proceeds-taxes-for-new-production--as-defined--in--15-23-601 or reappropriated money as required by subsection (5), is not sufficient to fund the permissive amount in full, the amount of the deficiency shall be paid to the district from the state special revenue fund according to the provisions of subsections (3) and (4) of this section.

(3) The superintendent of public instruction shall, if the appropriation by the legislature for the permissive account for the biennium is insufficient, request the budget director to submit a request for a supplemental appropriation in the second year of the biennium. The supplemental appropriation shall provide enough revenue to fund the permissive deficiency of the elementary and high school districts of the state. The proceeds of this appropriation shall be deposited to the state special revenue fund, permissive account, and shall be distributed to the elementary and high school districts in accordance with their entitlements as determined by the superintendent of public instruction according to the provisions of subsections (1) and (2) of this section.

(4) Distribution under this section from the state special revenue fund shall be made in two payments. The first payment shall be made at the same time as the first distribution of state equalization aid is made after January 1 of the fiscal year. The second payment shall be made at the same time as the last payment of state equalization aid is made for the fiscal year. If the appropriation is not sufficient to finance the deficiencies of the districts as determined according to subsection (2), each district will receive the same percentage of its deficiency. Surplus revenue in the second year of the biennium may be used to reduce the appropriation required for the next succeeding biennium or may be transferred to the state equalization aid state special revenue fund if revenues in that fund are insufficient to meet foundation program requirements.

(5) The trustees of a district shall use any money available to the district under 20-9-141(1)(b) to fund the permissive amount in the following manner:

(a) 15% for school fiscal year 1988; and

(b) 60% for school fiscal year 1989."

Section 3. Section 20-9-353, MCA, is amended to read:

"20-9-353. Additional levy for general fund -- election for authorization to impose. (1) The Except as provided in subsection (5), the trustees of any district may propose to adopt a general fund budget in excess of the

general fund budget amount for such district as established by the schedules in 20-9-316 through 20-9-321 for any of the following purposes:

(a) building, altering, repairing, or enlarging any schoolhouse of the district;

(b) furnishing additional school facilities for the district;

(c) acquisition of land for the district;

(d) proper maintenance and operation of the school programs of the district.

(2) When the trustees of any district determine that an additional amount of financing is required for the general fund budget that is in excess of the statutory schedule amount, the trustees shall submit the proposition of an additional levy to raise such excess amount of general fund financing to the electors who are qualified under 20-20-301 to vote upon such proposition except that no election shall be required to permit the school trustees to use any funds available to finance the additional amount other than those funds to be raised by the additional levy. Such special election shall be called and conducted in the manner prescribed by this title for school elections. The ballot for such election shall state only the amount of money to be raised by additional property taxation, the approximate number of mills required to raise such money,

1 and the purpose for which such money will be expended, and
2 it shall be in the following format:

3 PROPOSITION

4 Shall a levy be made in addition to the levies
5 authorized by law in such number of mills as may be
6 necessary to raise the sum of (state the amount to be raised
7 by additional tax levy), and being approximately (give
8 number) mills, for the purpose of (insert the purpose for
9 which the additional tax levy is made)?

10 ☐ FOR the additional levy.

11 ☐ AGAINST the additional levy.

12 (3) If the election on any additional levy for the
13 general fund is approved by a majority vote of those
14 electors voting at such election, the proposition shall
15 carry and the trustees may use any portion or all of the
16 authorized amount in adopting the preliminary general fund
17 budget. The trustees shall certify the additional levy
18 amount authorized by such a special election on the budget
19 form that is submitted to the county superintendent, and the
20 county commissioners shall levy such number of mills on the
21 taxable value of all taxable property within the district,
22 as prescribed in 20-9-241, as are required to raise the
23 amount of such additional levy.

24 (4) Authorization to levy an additional tax under the
25 provisions of this section shall be effective for only 1

1 school fiscal year and shall be authorized by a special
2 election conducted before August 1 of the school fiscal year
3 for which it is effective.

4 (5) The trustees of a district with a general fund
5 budget in school fiscal year 1987 that exceeded 55% of its
6 foundation program schedule amount may not increase the
7 general fund budget amount for school fiscal years 1988 and
8 1989 unless the district experiences an emergency for
9 budgeting purposes, as defined in 20-9-161."

10 Section 4. Section 90-6-211, MCA, is amended to read:

11 "90-6-211. Disposition of interest from unexpended
12 balance. The unexpended balance in the local impact and
13 education trust fund account shall be invested as provided
14 by statute by the board of investments. Of the income from
15 such investments each year 10% shall be paid into the state
16 special revenue fund for use by the superintendent of public
17 instruction for purposes of the postsecondary
18 vocational-technical centers and adult basic education
19 programs in the state, subject to the budgeting authority of
20 the legislature. Within the account under 20-9-513, the
21 revenue is shared between the postsecondary
22 vocational-technical centers and the adult basic education
23 programs. Of the remaining 90% of the income from such
24 investments, three-fourths shall be annually paid into the
25 state special revenue fund for state equalization aid to

1 public schools of the state and one-fourth each year shall
2 be paid to the board of regents of higher education for use
3 by the institutions of higher learning in the state, subject
4 to the budgeting authority of the legislature. Except-as
5 provided-in-98-6-205(5)-the-principal-of-the-local-impact
6 and-education-trust-fund-shall-be-dedicated-to-education-and
7 forever--remain--inviolable--and--sacred--to--this-purpose-as
8 provided-in-sections-3-and-10-of-Article-X--of--the--Montana
9 constitution."

-End-

HOUSE FINAL STATUS

TRANSMITTED TO SENATE
 4/14 RULES SUSPENDED TO ALLOW RECEIPT OF 42 4
 BILL AFTER DEADLINE
 4/14 REFERRED TO FINANCE & CLAIMS
 4/15 HEARING
 4/15 COMMITTEE REPORT--BILL CONCURRED AS AMENDED
 4/16 2ND READING CONCUR MOTION FAILED 22 22
 4/21 2ND READING CONCURRED 50 0
 4/21 3RD READING CONCURRED 43 6

RETURNED TO HOUSE WITH AMENDMENTS
 4/23 2ND READING AMENDMENTS CONCURRED 84 11
 4/23 3RD READING AMENDMENTS CONCURRED 84 10
 4/28 SIGNED BY SPEAKER
 5/01 SIGNED BY PRESIDENT

5/01 TRANSMITTED TO GOVERNOR
 5/22 SIGNED BY GOVERNOR
 CHAPTER NUMBER 665 EFFECTIVE DATE: 10/01/87

HB 890 INTRODUCED BY HANNAH, ET AL.
 CHANGE DISTRIBUTION OF DISTRICT COURT FUNDING FROM
 MOTOR VEHICLE FEES

3/20 INTRODUCED
 3/20 REFERRED TO APPROPRIATIONS
 3/20 FISCAL NOTE REQUESTED
 3/25 HEARING
 3/28 COMMITTEE REPORT--BILL PASSED AS AMENDED
 3/28 FISCAL NOTE RECEIVED
 3/31 2ND READING PASSED AS AMENDED 64 35
 4/01 3RD READING PASSED 66 29

TRANSMITTED TO SENATE
 4/02 REFERRED TO JUDICIARY
 4/07 HEARING
 4/10 ADVERSE COMMITTEE REPORT ADOPTED 42 8
 4/11 RETURNED TO HOUSE NOT CONCURRED

HB 891 INTRODUCED BY WILLIAMS, M.
 APPROPRIATION OF COAL TRUST MONEY FOR FISCAL YEARS
 1988 AND 1989
 BY REQUEST OF GOVERNOR

3/20 INTRODUCED
 3/20 REFERRED TO APPROPRIATIONS
 3/31 HEARING
 4/15 TAKEN FROM COMMITTEE 51 47
 4/23 2ND READING NOT PASSED AS AMENDED 50 50

HB 892 INTRODUCED BY COHEN, ET AL.
 REVISES PROPERTY CLASSES AND SEPARATES PRODUCTIVE
 AND NONPRODUCTIVE PROPERTY

3/21 INTRODUCED
 3/21 REFERRED TO TAXATION
 3/21 FISCAL NOTE REQUESTED
 3/23 FISCAL NOTE RECEIVED
 3/27 HEARING
 3/28 FISCAL NOTE RECEIVED
 3/30 TABLED IN COMMITTEE

HB 893 INTRODUCED BY DONALDSON
 APPROPRIATE FROM EDUCATION TRUST FOR VARIOUS

HOUSE FINAL STATUS

EDUCATION PURPOSES

3/23 INTRODUCED
 3/23 REFERRED TO APPROPRIATIONS
 3/24 HEARING
 3/31 TABLED IN COMMITTEE

HB 894 INTRODUCED BY THOFT, ET AL.
 LOCATE THE LAW ENFORCEMENT ACADEMY AT WESTERN
 MONTANA COLLEGE IN DILLON
 BY REQUEST OF JOINT INTERIM SUBCOMMITTEE ON
 THE LAW ENFORCEMENT ACADEMY

3/24 INTRODUCED
 3/24 REFERRED TO APPROPRIATIONS
 3/24 FISCAL NOTE REQUESTED
 3/28 FISCAL NOTE RECEIVED
 3/30 HEARING
 3/30 TAKEN FROM COMMITTEE 52 44
 4/01 2ND READING PASSED AS AMENDED 55 45
 4/01 3RD READING PASSED 51 45

TRANSMITTED TO SENATE
 4/03 REFERRED TO STATE ADMINISTRATION
 4/06 REREFERRED TO LONG-RANGE PLANNING
 4/10 HEARING
 4/14 ADVERSE COMMITTEE REPORT ADOPTED
 AS AMENDED 34 14
 4/15 RETURNED TO HOUSE NOT CONCURRED
 AS AMENDED

HB 895 INTRODUCED BY POULSEN, ET AL.
 ESTABLISH LOCATION OF LAW ENFORCEMENT ACADEMY AT THE
 COLLEGE OF GREAT FALLS

3/24 INTRODUCED
 3/24 REFERRED TO APPROPRIATIONS
 3/24 FISCAL NOTE REQUESTED
 3/28 FISCAL NOTE RECEIVED
 3/30 HEARING
 3/30 TAKEN FROM COMMITTEE 52 44
 4/01 2ND READING PASSED AS AMENDED 53 46
 4/01 3RD READING PASSED 49 48

TRANSMITTED TO SENATE
 4/03 REFERRED TO STATE ADMINISTRATION
 4/06 REREFERRED TO LONG RANGE PLANNING
 4/10 HEARING
 DIED IN COMMITTEE

HB 896 INTRODUCED BY MERCER, ET AL.
 CONTINGENT INCREASE OF FUEL CONSERVATION SPEED LIMIT

3/24 INTRODUCED
 3/24 REFERRED TO HIGHWAYS & TRANSPORTATION
 3/26 HEARING
 3/27 COMMITTEE REPORT--BILL PASSED
 3/31 2ND READING PASSED AS AMENDED 92 1
 4/01 3RD READING PASSED 94 1

TRANSMITTED TO SENATE
 4/02 RULES SUSPENDED TO ALLOW RECEIPT OF
 BILL FROM THE HOUSE 48 0
 4/02 REFERRED TO HIGHWAYS & TRANSPORTATION

CHAIRMAN--REP. GENE DONALDSON
SECRETARY--DENISE THOMPSON
NORMAL SCHEDULE==> SITE: ROOM 104

COMMITTEE--(H) APPROPRIATIONS
DAYS: MON THRU FRI TIME: 8:00 A.M.

* BILL NO ** DATE / LATEST ACTION *****

HB 890 A	04/10	(S) ADVERSE COM RPT ADOPTED SPON-HANNAH, TOM	(S) JUDICIARY TITLE-CHANGE DISTRIBUTION OF DISTRICT COURT FUNDING FROM MOTOR VEHICLE FEES
HB 891 A	04/23	(H) 2ND READ NOT PASSED AS AMENDED SPON-WILLIAMS, MEL	TITLE-APPROPRIATION OF COAL TRUST MONEY FOR FISCAL 1987, 1988, AND 1989
HB 893 A	03/31	(H) TABLED IN COMMITTEE SPON-DONALDSON, GENE	(H) APPROPRIATIONS TITLE-APPROPRIATE FROM EDUCATION TRUST FOR VARIOUS EDUCATION PURPOSES
HB 894 A	04/14	(S) ADVERSE COM RPT ADOPTED SPON-THOFT, BOB	(S) LONG-RANGE PLANNING AS AMENDED TITLE-LOCATE THE LAW ENFORCEMENT ACADEMY AT WESTERN MONTANA COLLEGE IN DILLON
HB 895 A	04/30	(H) DIED IN COMMITTEE SPON-PHILLIPS, JOHN	TITLE-ESTABLISH LOCATION OF LAW ENFORCEMENT ACADEMY AT THE COLLEGE OF GREAT FALLS
HB 897 A	03/31	(H) TABLED IN COMMITTEE SPON-ASAY, TOM	(H) APPROPRIATIONS TITLE-APPROPRIATE \$1 MILLION FOR GRANTS TO SCHOOLS TO ENCOURAGE TECHNOLOGY
HB 898 A	03/28	(H) TABLED IN COMMITTEE SPON-MENAHAN, RED	(H) APPROPRIATIONS TITLE-REQUIRE ADEQUATE STAFF AT MENTAL HEALTH FACILITIES TO PROVIDE TREATMENT
HB 899 A	03/31	(H) TABLED IN COMMITTEE SPON-COBB, JOHN	(H) APPROPRIATIONS TITLE-DIRECT LOANS TO BUSINESSES FROM COAL TAX REVENUE
HB 900	03/31	(H) TABLED IN COMMITTEE SPON-WINSLOW, CAL	(H) APPROPRIATIONS TITLE-GRANTS FOR TEEN PREGNANCY FACILITIES
HB 901	07/01	(H) CHAPTER NUMBER SPON-REHBERG, DENNIS	TITLE-REVISE PAYMENT FOR CERTAIN COPIES OF ADMINISTRATIVE RULES PUBLICATIONS
HB 903 A	04/14	(S) ADVERSE COM RPT ADOPTED SPON-GRINDE, LARRY HAL	(S) LONG-RANGE PLANNING AS AMENDED TITLE-RELOCATE THE LAW ENFORCEMENT ACADEMY TO LEWISTOWN
HB 904 AR	05/01	(H) TRANSMITTED TO GOVERNOR SPON-HARP, JOHN	TITLE-INCOME TAX REVISION TO FUND EDUCATION
HB 905 A	04/09	(S) TABLED IN COMMITTEE SPON-WINSLOW, CAL	(S) BUSINESS & INDUSTRY TITLE-PROMOTE ECONOMIC DEVELOPMENT THROUGH INVESTMENT IN NEW TECHNOLOGY
HB 906 AR	04/30	(H) DIED IN PROCESS SPON-RAMIREZ, JACK	TITLE-APPROPRIATING SALES AND USE TAX REVENUE; OTHER APPROP. TO DOR FOR ADMIN.
HB 907 A	03/31	(H) TABLED IN COMMITTEE SPON-COBB, JOHN	(H) APPROPRIATIONS TITLE-IMPLEMENTING THE JOB TRAINING PARTNERSHIP ACT
HB 908 A	04/30	(H) DIED IN COMMITTEE SPON-KEENAN, NANCY	TITLE-REQUIRE PAYMENT OF PREVAILING WAGES TO PROFESSIONAL STAFF AT INSTITUTIONS
HB 909	04/30	(H) BILL KILLED SPON-BARDANOUVE, FRANCIS	TITLE-DEPT OF REVENUE TO AUTHORIZE AND SET PAY FOR DEPUTY COUNTY ASSESSORS
HB 910 A	04/30	(H) DIED IN PROCESS SPON-WINSLOW, CAL	TITLE-REQUIRING STATE-ASSUMED COUNTIES TO SHARE COSTS OF MEDICAL ASSISTANCE
HB 911 A	04/10	(H) BILL KILLED SPON-COBB, JOHN	TITLE-CONSOLIDATING THE STATE LAW LIBRARY WITH THE STATE LIBRARY
HB 912	04/30	(H) DIED IN PROCESS SPON-BARDANOUVE, FRANCIS	TITLE-REVISE INCOME STANDARD FOR GENERAL ASSISTANCE
HJ 16	04/11	(S) SIGNED BY PRESIDENT SPON-PECK, RAY	TITLE-INTERIM STUDY ON ADEQUACY AND COST OF ACCREDITATION STANDARDS-FISCAL PROCESS
HJ 23	02/12	(H) TABLED IN COMMITTEE SPON-COBB, JOHN	(H) APPROPRIATIONS TITLE-HOUSE RESOLUTION DIRECTING APPROP. TO REDUCE EXPENDITURES BY \$20 MILLION
SB 17	10/01	(S) CHAPTER NUMBER SPON-PINSONEAULT, R.J. (DICK)	TITLE-REQUIRING APPOINTMENT OF AN INDIAN CHILD WELFARE SPECIALIST
SB 88	10/01	(S) CHAPTER NUMBER SPON-VAN VALKENBURG, FRED	TITLE-EXTEND PRISON TERM FOR BURGLARY; CHANGE DEFINITION OF AGGRAVATED BURGLARY
SB 96	10/01	(S) CHAPTER NUMBER SPON-RASMUSSEN, TOM	TITLE-INCREASING PENALTY FOR SECOND OFFENSE OF ELDER ABUSE
SB 103	05/01	(S) TRANSMITTED TO GOVERNOR SPON-HAGER, TOM	TITLE-CLARIFIES METHOD FOR PAYMENT OF THE STANDARD PREVAILING RATE OF WAGES
SB 122	04/15	(S) CHAPTER NUMBER SPON-CRIPPEN, BRUCE D.	TERMINATION DATE SECTION 2 06/30/89 TITLE-PROCEDURE FOR APPEAL TO STATE TAX APPEAL BOARD -- ALLOW HEARING OFFICER
SB 134	10/01	(S) CHAPTER NUMBER SPON-BECK, TOM	TITLE-CONVEYING A DANGEROUS DRUG TO A PRISONER; SENTENCE

MINUTES OF THE MEETING
HOUSE APPROPRIATIONS COMMITTEE
50TH LEGISLATIVE SESSION

The meeting of the House Appropriations Committee was called to order by Vice Chairman Rep. Bob Thoft on March 24, 1987 at 8:00 a.m. in Room 104 of the State Capitol.

ROLL CALL: All members were present at the meeting. Also in attendance was Judy Rippingale, LFA and Denise Thompson, Secretary.

HB 865 and HB 893:

Rep. Gene Donaldson provided the two bills to the committee stating they both deal with the funding for the foundation program. He also stated that there was, at this time, no bill which deals with the schedules.

HB 865: He stated that the Senate may have to address the monies for education at zero and zero. The House, after action taken on the floor yesterday, clearly is in favor of zero and zero funding. The schedules could be amended into this bill. If they are not added, we would be sending the Senate an appropriations bill without the schedules. At zero and zero, they could continue on.

The reason he wanted to use 893 (102:A:2.53) Rep. Donaldson said that HB 893 was a bill containing issues to see if there is a philosophy to use the educational trust fund monies for a balancing factor need to have alternative to using the trust to balance the budget. HB 893 would do the following: Fund WICHE/WAMI Program for two years; Adult Education Fund; Votechs at 4.7 which would be the transition from OPI to higher education; it would provide a science and technology lab in Bozeman; and to provide some \$20 to \$25 million in school equalization to take some pressures off the underfunded suit.

(102:A:8.30) This is just another attempt to save some money for the state in the form of another approach. Part of the bill would insist that some of the non-tax revenues be utilized in the permissive area before we fill up the remainder with the state monies. He also quoted some of the federal regulations on how other funds could be used. There was also a possibility of a \$30 million savings over the biennium. He stated on page 8 of the bill it would cap districts on the top of the scale but would not cap districts on the lower end.

Currently in the state is a method of affect determining wealth used in the distribution of Chapter II monies. There are two components that measure the tax effort on the part of the school districts. One is the property tax mill rate and the voted amount by dollars by student. If this formula is used and you save some money in the educational trust you could do a lot to help the school districts that are in a lot of trouble.

Rep. Donaldson stated that a program for the funding of the foundation program had to be passed out of the House by next week and it looked as though it would be at zero and zero. The program is \$70 million in the red right now.

Mr. Dave Hunter, Director, Office of Budget and Program Planning spoke as a proponent to HB bill saying that this was at the request of the governor. The reason for the \$77 million appropriation rather than \$96 million, they agree that the correct number should be about \$96 million. The governor has proposed to provide an additional \$18.9 million of earmarked revenues to the school foundation in Senate Bill 228. This legislation has passed the Senate and is currently in the House. It is in conflict with some legislation which is currently in the Appropriations Committee but the state has a \$96 million responsibility to the school foundation program, whether we provide that through general fund or through additional earmarked revenues as the governor or other legislators propose. That is a responsibility we have.

The other thing that must be done is regarding the use of the educational trust fund money to balance the fiscal 1987 supplemental bill HB 434, we will need to make up some lost interest earnings to the foundation program, to WICHE/WAMI and to the Adult Basic Education Program. The appropriate way to do that is in this bill and amendments to HB 2. He recommended that the committee do not put the schedules into the bill. If the intent is to fund zero and zero, the existing statutes already provide the entitlement in the foundation program.

(102:A:21.05) Mr. Jeff Morrison, Board of Regents spoke in favor of two parts of the bill. On the vocational educational funding portion and also the building at MSU. This building has been a number one priority for assistance in the past two bienniums and it remains the number one priority. It is essential in order for them to participate in some economic development in the state and to retain the quality of science technology we have in the state.

Dr. Bill Tietz, President, MSU, agreed with Mr. Morrison on the building and was in support of HB 893.

Mr. Carroll Krause, Commissioner of Higher Education was concerned about the continued funding for the WICHI/WAMI program which is in this bill. One-half of that money is coming from the educational trust fund, and if that trust fund does not exist, they need a mechanism for that program.

Mr. Bruce Moerer, Montana School Board Association, spoke as a proponent to HB 865 as it is the only legislation to fund the foundation program at zero and zero. He felt the schedules were not needed in the bill. With SB 228 the money should be there to fund zero and zero. The committee should look at making up some of the lost interest if we are going to use the education trust for other purposes.

Mr. Jess Long, School Administrator in Montana spoke in support of HB 865. He stated although they have ever felt zero and zero was adequate funding but they are in support of the bill as it is one of the legs in supporting the zero and zero foundation program.

OPPONENTS:

(102:A:25.49) Mr. Eric Feaver, Montana Education Association, reported he opposed both HB 865 and HB 893. He stated there is no way in good support zero and zero on the foundation program in order to deal responsibility with the public school system that we have in this state. We would be underfunding our system in an unprecedented fashion is remarkable. If it should be used, they requested an amendment to reflect exactly what it is the legislature must appropriate in order to get zero and zero.

(102:A:28.50) Regarding HB 893, Mr. Feaver stated it was difficult for the association to support the elimination of the education trust. Statute is never forever as the constitution protects this money currently for educational purpose. A trust established by the legislature which is not protected by the constitution, can in fact be utilized to balance the budget in difficult times.

He referred to several amendments in the bill would delete: 1) All language in title of the bill, lines 8-13, language that pertains to modifying the method of funding the permissive amount of schools funding and capping the general fund budgets; (2) delete lines 23-24 as they are opposed to appropriating education trust to pay for a science and technology building at MSU; and use that money on page 2, line two the equalization aid; (3) they are in support of the WICHI/WAMI appropriation and the adult basic education appropriation, and support of that which references HB 39, voted levy replacement; (4) on page 3 and 4 the proposed language be added and deleted be reversed, retain

the current language; (5) page 5 propose that all that language in lines 16-20 be deleted; (6) on page 8, they propose all language on lines 4-9 be deleted; (6) page 9, referencing a trust that was to remain for ever, to eliminate the trust forever, pass this legislation. He encouraged the committee not to eliminate the education trust completely.

There are two elements that they are quite concerned about in the deleted language: (1) capping the local effort that school districts provide for their schools; and (2) the notion to cap non-tax revenue and divert it to the general fund without a vote is alien to the way to fund schools in the state. He also said it could be illegal to use 874 monies to equalize education funding in the state.

Mr. Bruce Moerer, MSBA spoke again saying that HB 893 there were two parts they wished to address independently. The first part is the education trust. Reluctantly would rather see what is left of the educational trust go to education at least rather than see it be spent next year for another supplemental for SRS. They are concerned about the \$12 million to the MSU science and technology building. He felt it should be appropriated out to the public schools. He felt the proposed changes in the equalization funding mechanism. This is a raid on local monies to help balance the state general fund. Capping the budgets of local schools takes the discretion away from the local schools. The voted levies are currently frozen and there will be no raise in the voted levy. They also concur with the amendments offered by the Montana Education Association.

(102:B:3:19) Terry Minnow, Montana Federation of Teachers opposed the bill but said there were some positive portions of the bill. They have no quarrel with funding WICHI/WAMI, Adult Basic Ed, Vo-techs or the foundation program out of the education trust fund, if the education trust fund is going to be depleted this legislative session. However, this disagreed with the technology building. A suggestion would be to address the inadequate faculty salaries at all units of the system. They also have real problems with the equalization concept.

Dick Sirokman, Superintendent of Valier Schools opposed HB 893, page 5, line 16 the non-tax revenues. This would force the local governments to take these small savings they have and they would expend them until there would be nothing left by the middle of the second year.

Dale Zorn, Superintendent of Schools in Shelby stated that they would not be able to use some of the reserve fund without a large penalty. It basically takes out a lot of

local incentive to save money. They are currently using these monies now to honor I105, to reduce their levy. If this bill passes, it would escalate the property taxes.

Mr. Jess Long also concurred with Mr. Feaver and Mr. Moerer regarding the educational trust fund. He did not approve of the monies being spent on the Science and Technology building.

Mr. Larry Lacount of Lodge Grass Schools spoke against HB 893 and the use of the 874 monies.

(102:B:14.02) Mr. John Forbenbrok also stated that the law is clear in regard to the 874 monies be used for this purpose.

Mr. Ivan Small, Superintendent of Pryor Public Schools, and President of the Indian Impact Students in Montana spoke in opposition to HB 863, specifically the portion dealing with the 874 funds.

(102:B:19.57) Mr. Ron Allen, Superintendent of Brockton Schools spoke saying they have no tax base in their district. The mill would raise \$696. If the bill is approved, they would have to levy 400 mills to recoup this money. When they have five or six taxpayers in that district, the levy would not pass. They could not operate without the 874 monies.

Mr. Pat O'Leary, Supervisor of the Adult Learning Center opposed only the possible loss of funding for Adult basic education. He supports any alternative measure that would provide for funding for adult basic education because they depend on this funding to provide serve to undereducated adults in the state and to get their federal money, as a maintenance of effort.

Mr. Todd Hudak, Associated Students at MSU spoke in support of the WICHE/WAMI program.

EXECUTIVE ACTION HB 879:

HB 879: Rep. Devlin moved to TABLE HB 879 on the request of the sponsor, Rep. John Cobb. Rep. Bardanouve called the question. The motion CARRIED unanimously.

HB 849:

Rep. Joe Quilici of HD #71, presented HB 849 to authorize the Centennial Office the authority to borrow and repay loans for the Centennial Office activity. It would extend repayment of this money from July 1987 to January 1988.

Mr. Mike Trevor, Administrator of the Information Services Division, Department of Administration, said they are neutral on the bill, however they are advocates on improving security throughout state government. The bill, as amended has no cost concerns and the agencies feel the same way.

EXECUTIVE ACTION:

SB 279: Rep. Donaldson moved that SB 279 BE CONCURRED IN. Rep. Peck called the question. The motion CARRIED unanimously.

HB 865: Rep. Donaldson moved to amend HB 865, line 15, page 1 to strike \$70 million and insert \$96 million (Exhibit 3). Rep. Devlin called the question. The motion CARRIED unanimously.

Rep. Donaldson moved to Do PASS HB 865 AS AMENDED. Rep. Winslow called the question. The motion CARRIED unanimously.

HB 888: Rep. Winslow moved to amend HB 888, page 2, line 20, to make sure that only eligible AFDC clients may use the service (Exhibit 4). Rep. Bradley called the question. The motion CARRIED unanimously.


Rep. Winslow moved to DO PASS HB 888 AS AMENDED. The motion CARRIED unanimously.

HB 893: Rep. Donaldson suggested an amendment and retain the last portion of the bill on page 9 of the bill. There was NO ACTION on the bill.

HB 627: Rep. Miller asked about HB 627 of Rep. Strizich's bill regarding the drug monies for evaluation detention centers. There was NO ACTION on the bill.

ADJOURNMENT:

There being no further business, the meeting was adjourned.


Rep. Bob Thoft, Vice Chairman

DAILY ROLL CALL

APPROPRIATIONS

COMMITTEE

50th LEGISLATIVE SESSION -- 1987

Date

3/24/87

NAME	PRESENT	ABSENT	EXCUSED
DONALDSON, GENE Chairman	✓		
THOFT, REP. BOB Vice Chair	✓		
WINSLOW, REP. CAL	✓		
BARDANOUVE, FRANCIS	✓		
BRADLEY, DOROTHY	✓		
CONNELLY, MARY ELLEN	✓		
DEVLIN, GERRY	✓		
IVERSON, DENNIS	✓		
MANUEL, REX	✓		
MENAHAN, RED	✓		
MENKE, LARRY	✓		
MILLER, RON	✓		
NATHE, DENNIS	✓		
PECK, RAY	✓		
POULSEN, HAROLD	✓		
QUILICI, JOE	✓		
REHBERG, DENNIS	✓		
SPAETH, GARY	✓		
SWIFT, BERNIE	✓		
SWITZER, DEAN	✓		

VISITOR'S REGISTER

Appropriations

COMMITTEE

BILL(S) _____

DATE 3/24

SPONSOR(S) _____

NAME	REPRESENTING	BILL NO.	SUP-PORT	OP-POSE
Dennis Wright	Drug Fair			X
John Perry	Drug Fair			X
John Perry	Drug Fair			X
Cham Schunk Ph	Drug Fair			✓
Leslie Ludwick	Drug Fair			X
Tim Schmitt	DRUG FAIR			X
Eric Beaver	MSA	865 893		✓
Howard Perry	MSA	893	✓	
Mike Trevor	DofA	58279		
Ron Allen	Blackburn Public Schools			
Dick Sirokman	V'Allen Schools	893		✓
Spence W. Moore	MSA	865 893	✓	✓
B L Donahue	SUPERIOR Schools			
John W. Long	S. A. 1-1	865 893	-	✓
James Marie Sompay	MT Hospital/Donahue	892	X	
Janet Ellis	MT Audubon	879	X	
John J. Francis	MONT BOARD OF NORMALS	882		X
John J. Francis	Shirley Schools	865 893	✓	✓
Ron Dill	Central Office	849	X	
Mark Eukler	Reg Pharmacist	882		X

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR VISITOR'S STATEMENT.
IF YOU HAVE WRITTEN COMMENTS, PLEASE GIVE A COPY TO THE SECRETARY.